



PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 02-1713
Released: July 16, 2002

**DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER
CONTROL OF RSL COM U.S.A., INC.'S CUSTOMER BASE AND RELATED ASSETS TO
WORLDXCHANGE CORP.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-184

On June 13, 2002, WorldxChange Corp. ("WorldxChange"), and RSL COM U.S.A., Inc. ("RSL") (together "Applicants"), filed an application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), requesting authority to enable WorldxChange to acquire the assets of RSL, including RSL's long distance customer base and the assets associated with those operations ("Assets").¹ Since March 16, 2001, RSL has been operating in bankruptcy status under the protection of the Bankruptcy Court for the Southern District of New York.²

WorldxChange's indirect corporate parent, Counsel Springwell Communications LLC ("Counsel Springwell") and RSL entered into an Asset Purchase Agreement ("Agreement") dated March 25, 2002. Subsequently, Counsel Springwell assigned its rights under the Agreement to WorldxChange as of April 25, 2002 and, accordingly, WorldxChange will acquire the RSL assets.

This application is subject to streamlined processing under section 63.03(b)(2)(ii) of the Commission's rules.³ Applicants assert that following the transaction, (1) WorldxChange and its affiliates will hold less than a ten percent (10%) share of the interstate, interexchange market;

¹ This application was filed jointly with an application for approval of an international section 214 application related to the same proposed transaction.

² See RSL COM U.S.A., Inc., Case No. 01-11469-alg (S.D.N.Y. filed March 16, 2001) and RSL COM PrimeCall, Inc., Case No. 01-11457-alg (S.D.N.Y. filed March 16, 2001).

³ 47 C.F.R. section 63.03(b)(2)(ii).

(2) WorldxChange will provide local exchange service, if at all, only in areas served by dominant local exchange carriers (none of which are parties to the transaction); and (3) neither the Applicants nor their affiliates are dominant with respect to any service.

Applicants assert that the proposed transaction is necessary to ensure that RSL's current customers will continue to receive uninterrupted service. Applicants emphasize that following the completion of the proposed transaction, RSL's customers will continue to receive service under the same rates, terms and condition as that service is currently being provided; however, given the current bankrupt status of RSL, the proposed transaction must be completed rapidly in order to minimize disruption to existing customers being served by RSL. Accordingly Applicants respectfully request that the Commission approve this Application as expeditiously as possible in order to allow Applicants to consummate the proposed transaction on or about August 15, 2002.

WorldxChange is a corporation organized and existing under the laws of the State of Delaware with principal office located at 9775 Business Park Avenue, San Diego, California 92131. WorldxChange is a wholly-owned indirect subsidiary of I-Link Incorporated ("I-Link"), a publicly traded company organized under the laws of the State of Florida. I-Link is controlled by Counsel Springwell, which holds a direct majority interest in I-Link and therefore, an indirect majority interest in WorldxChange. Counsel Springwell is, in turn, majority owned and controlled by Counsel Corporation ("Counsel"), a publicly traded Canadian corporation which specializes in investments, including communications companies.

RSL is a corporation organized and existing under the laws of State of Delaware. RSL's principal place of business is located at 1001 Brinton Road, Pittsburgh, PA 15221. RSL currently provides a variety of regulated and unregulated telecommunications services, including long distance and frame relay data services, through the resale of the facilities of other carriers and RSL's own circuit and data switches.

Through the proposed transaction ("Transaction"), WorldxChange proposes to acquire the long distance business of RSL. Specifically, the Assets to be acquired by WorldxChange include, among other things, most of the regulated communications assets associated with RSL's domestic telecommunications operations, including the telecommunications equipment and all of the long distance and international customers and customer accounts of RSL.

Applicants respectfully submit that this Transaction services the public interest. In particular, Applicants submit that: (1) the Transaction will increase competition in the interstate long distance telecommunications market by reinforcing WorldxChange's status as a viable competitor; and (2) the Transaction will minimize the disruption of service and be virtually transparent to remaining RSL customers.

Applicants assert that RSL's financial position at this state effectively precludes it from becoming or remaining a viable competitor in the telecommunications market, and that as a practical matter, RSL is no longer able to effectively compete for new customers. As a result,

Applicants state that the proposed transaction will not diminish competition. At the same time, Applicants state, the expansion of WorldxChange's customer base is expected to enhance WorldxChange's position in the interstate telecommunications market and permit WorldxChange to compete more effectively for long distance and international customers.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.⁴ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to

⁴ See 47 C.F.R. section 63.03(a).

9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) Bill Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: wdever@fcc.gov; and
- (4) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.
- (5) Susan O'Connell, International Bureau, Policy Division, 445 12th Street, S.W., Room 6-A847, Washington, D.C. 20554; email: soconnell@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Competition Policy, Wireline Competition Bureau at (202) 418-1578.

- FCC -

